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EXAMINER

GREGG, MARY M

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3694

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PAPER

Please find below and/or attached an Office communication concerning this application or proceeding.

The time period for reply, if any, is set in the attached communication.

Office Action Summary	Application No. 10/592,020	Applicant(s) INNES, IAN ROSSEL CAPLE	
	Examiner MARY GREGG	Art Unit 3694	

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) ☒ Responsive to communication(s) filed on 31 July 2009.
- 2a) ☒ This action is **FINAL**. 2b) ☐ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

- 4) ☒ Claim(s) 1-8, 10, 11, 14, 15, 17, 20-32 and 35-44 is/are pending in the application.
- 4a) Of the above claim(s) _____ is/are withdrawn from consideration.
- 5) ☐ Claim(s) _____ is/are allowed.
- 6) ☒ Claim(s) 1-8, 10, 11, 14, 15, 17, 20-32 and 35-44 is/are rejected.
- 7) ☐ Claim(s) _____ is/are objected to.
- 8) ☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on _____ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some * c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
 2. ☐ Certified copies of the priority documents have been received in Application No. _____.
 3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

* See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

- | | |
|--|---|
| 1) <input checked="" type="checkbox"/> Notice of References Cited (PTO-892) | 4) <input type="checkbox"/> Interview Summary (PTO-413) |
| 2) <input type="checkbox"/> Notice of Draftsperson's Patent Drawing Review (PTO-948) | Paper No(s)/Mail Date. _____ |
| 3) <input checked="" type="checkbox"/> Information Disclosure Statement(s) (PTO/SB/08) | 5) <input type="checkbox"/> Notice of Informal Patent Application |
| Paper No(s)/Mail Date <u>01/15/2009</u> . | 6) <input type="checkbox"/> Other: _____ |

DETAILED ACTION

1. The following is a Final Office Action in response to communications received July 31, 2009. Claims 9, 12-13, 16, 18-19 and 33-34 has been canceled. Claims 1-8, 10-11, 14-15, 20-22, 26-32 and 35 have been amended. New claims 36-44 have been added. Therefore, claims 1-8, 10-11, 14-15, 17, 20-32 and 35-44 are pending and addressed below.

Response to Amendment/Arguments

Specification

2. Applicant's amendments with respect to the objection set forth in the previous Office Action for failing to provide proper antecedent basis for the claimed subject matter of claims 9, 12 and 26 are sufficient to overcome the objections set forth in the previous Office Action. The examiner withdraws the objections.

Claim Objections

3. Applicant's amendments with respect to claims 3-4, 21, 27 and 31-32 for informalities as set forth in the previous Office Action are sufficient to overcome the objections. The examiner withdraws the objections.

Claim Rejections - 35 USC § 112

4. Applicant's amendments with respect to claims 9-15 rejected under 112, 1st paragraph are sufficient to overcome the rejections set forth in the previous Office Action. The examiner withdraws the rejections.

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5. Applicant's amendments with respect to claims 1, 3-15, 18-22, 26-32 and 35 rejected under 112, 2nd paragraph are sufficient to overcome the rejections set forth in the previous Office Action. The examiner withdraws the rejections.

Claim Rejections - 35 USC § 103

6. Applicant's arguments with respect to claims 1-8, 10-11, 14-15 17, 20-32 and 35 have been considered but are moot in view of the new ground(s) of rejection.

Examiner Note

7. In the previous Office Action mailed 08/15/2008, the examiner cited that the prior art, US Patent No. Altman et al. (Alt) did not teach "making a periodic payment from the residual of the loan wherein the principal value of the loan becomes due for repayment at the end of the term" which is in error. The examiner hereby retracts this statement. Upon review of the Art the examiner finds the prior art explicitly teaches "biweekly mortgage payment plan" (Col 2 lines 35-36) and provides amortization tables for multiple years, and in monthly increments as can be found in table 8. Furthermore there is explicit disclosure in the art with respect to the ending of the term with respect to the payment.

Official Notice

8. Since Applicant(s) did not reasonably traverse the Official Notice statement(s) as stated in the previous Office Action (Paragraph No. 11), the Official Notice statement(s) (1) that it is old and well known in the industry for computer systems to consist of memory for storage and a processor for executing a program. (2) that it is old and well known in the industry that annuities are paid by two main methods either a lump sum, a

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structured payment or a combination of both (3) it is old and well known that balloon payments are a well-known loan structure feature (4) that it is well known for computer systems to encompass software on a computer readable medium (5) it is old and well known that the standard for a current loan principal amount during a term to be equal the previous principal of the loan less the payment which includes P&I of the loan are taken to be admitted prior art. See MPEP §2144.03.

Since Applicant(s) did not reasonably traverse the Official Notice statement(s) as stated in the previous Office Action (Paragraph No. 12), the Official Notice statement(s) (1) that it is old and well known for various loan program to allow multiple draws on underlying assets. And that in the mortgage industry it is standard for a loan to be repaid at the end of the term are taken to be admitted prior art. See MPEP §2144.03.

Since Applicant(s) did not reasonably traverse the Official Notice statement(s) as stated in the previous Office Action (Paragraph No. 13), the Official Notice statement(s) (1) that it is old and well known in the art that lump sum annuities can have various start dates, i.e. immediate or deferred (2) that it is old and well known in the industry for third party intermediaries to manage investment accounts, a common example of this is Vanguard (3) that it is old and well known for methods to be implemented on a computer through a computer program product are taken to be admitted prior art. See MPEP §2144.03.

Since Applicant(s) did not reasonably traverse the Official Notice statement(s) as stated in the previous Office Action (Paragraph No. 14), the Official Notice statement(s) (1) that it is old and well known for financial managers to enact a fee from the proceeds

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of a financial product return (2) that it is old and well known for lenders to be service provider with respect to financial products and provide the financing for investment products as well (one stop shop) (3) that although rare for use because of risk factors and secondary markets, multiple equity loans are well known, (4) that it is old and well known for banks who provide one stop shop services to earn a finance cahre when they provide liens and chard fees when providing services for purchasing investment vehicles as an agent for the person (5) that it is old and well known for providers for investment products to charge fees and commission are taken to be admitted prior art. See MPEP §2144.03.

Since Applicant(s) did not reasonably traverse the Official Notice statement(s) as stated in the previous Office Action (Paragraph No. 15), the Official Notice statement(s) (1) that it is old and well known that providers for investment products to charge fees and commission and for fees charged by the investment serving entity to be deducted from the earnings or earning and principal of the client's investment product are taken to be admitted prior art. See MPEP §2144.03.

Since Applicant(s) did not reasonably traverse the Official Notice statement(s) as stated in the previous Office Action (Paragraph No. 16), the Official Notice statement(s) (1) that it is old and well known in the industry that it is common for equity liens to be held by a bank or financial entity separate than the first lien holder (2) that it is well known that banks earn a profit when they provide liens with interest charges (3) that it is old and well known that financial entities which provide investment product commonly charge fees are taken to be admitted prior art. See MPEP §2144.03.

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Since Applicant(s) did not reasonably traverse the Official Notice statement(s) as stated in the previous Office Action (Paragraph No. 17), the Official Notice statement(s) (1) that it is old and well known for rates on a first lien to be lower than on a second (2) that it is well known that rates change according to market offers (3) that it is well known that the IRA can have range of investment choices at the time (4) With respect to the rate of 4% to 5.5% on fixed first portion that it well known for rates on a first lien to be lower than on a second. First liens have higher equity liquidity and secondary markets purchase 1st liens more readily. Additionally, although Alt teaches an interest rate of 11.5%, (5) that it is old and well known that rates change according to market offers at the time, to use the relative interest rates available with respect to the first and second equity liens are taken to be admitted prior art. See MPEP §2144.03.

Claim Objections

9. Claim 7 objected to because of the following informalities:

In reference to Claim 7:

Claim 7 cites two step (d) it is the examiners opinion that this is a typo of the applicant. The examiner herein assigns the second step (d) as (d2).

Appropriate correction is required.

Claim Rejections - 35 USC § 112

10. The following is a quotation of the first paragraph of 35 U.S.C. 112:

The specification shall contain a written description of the invention, and of the manner and process of making and using it, in such full, clear, concise, and exact terms as to enable any person skilled in the art to which it pertains, or with which it is most nearly connected, to make and use the same and shall set forth the best mode contemplated by the inventor of carrying out his invention.

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11. Claims 1-3 are rejected under 35 U.S.C. 112, first paragraph, as failing to comply with the written description requirement. The claim(s) contains subject matter which was not described in the specification in such a way as to reasonably convey to one skilled in the relevant art that the inventor(s), at the time the application was filed, had possession of the claimed invention.

In reference to Claim 1:

Claim 1 cites the limitation "code for executing a **single** agreement with the person" which has not be described or displayed in the original presentation of the written description, drawings or originally preceding claims.

In reference to Claims 2-3:

Claims 2-3 depend upon claim 1 and contain the same deficiencies and are therefore, also rejected under 35 USC 112, 1st paragraph.

12. The following is a quotation of the second paragraph of 35 U.S.C. 112:

The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention.

13. Claims 1-3, 5, 20, 29-30, 36 and 41-42 are rejected under 35 U.S.C. 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention.

In reference to Claim 1:

Claim 1 cites "(ga) code for periodically directing, by the service provider computer to the financier computer, an interest payment determined on a simple interest basis;", it is not clear to the examiner to what the interest payment on a simple interest basis is applied. Is it applied to the equity product or to the financial instrument.

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For examination purposes the examiner is defining the interest payment to be with respect to the equity product.

In reference to Claims 2-3:

Claims 2-3 depend upon claim 1 and are therefore, also rejected under 35 USC 112, 2nd paragraph.

In reference to Claims 5, 20, 29-30 and 37:

Applicant asserts that the claim element “communicating”, “directing”, “investing” is a means (or step) plus function limitation that invokes 35 U.S.C. 112, sixth paragraph. However, it is unclear whether the claim element is a means (or step) plus function limitation that invokes 35 U.S.C. 112, sixth paragraph, because the function has been modified by “service provider computer”, “a financial computer” which are sufficient structure for performing the claimed acts or functions. If applicant wishes to have the claim limitation treated under 35 U.S.C. 112, sixth paragraph, applicant is required to:

(a) Amend the claim to include the phrase “means for” or “step for” in accordance with these guidelines: the phrase “means for” or “step for” must be modified by functional language and the phrase must **not** be modified by sufficient structure, material, or acts for performing the claimed function; or

(b) Show that the claim limitation is written as a function to be performed and the claim does **not** recite sufficient structure, material, or acts for performing the claimed function which would preclude application of 35 U.S.C. 112, sixth paragraph. For more information, see MPEP § 2181.

In reference to Claims 41-42:

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Claims 41 and 42 depend upon claim 29 and 30 respectively and therefore are also rejected under 35 USC 112 2nd paragraph.

Claim Rejections - 35 USC § 103

14. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

15. **Claims 1-2 and 4-5 are rejected under 35 U.S.C. 103(a) as being unpatentable over US Patent No. 5,689,649 by Altman et al. (Alt); in view of US Pub No. 2003/0149656 A1 by Magryder et al. (Mag); in view of “Deals of the Week” (Week); in view of US Pub No. 2007/0118451 A1 by Schneider et al. (Sch) in view of applicant’s admitted prior art herein referred to as APA and further in view of US Pub No. 2008/0235061 A1 by Innes (Inn) .**

In reference to Claim 1:

Alt teaches:

(Currently Amended) A computer implemented system for transforming a proportion of the equity in property owned by a person to equity based benefits to a person, said system comprising:

...and a service provider computer and a financier computer being in electronic communication with each other for executing the program ((Alt) Col 2 lines 28-44; wherein the prior art teaches applying equity loan to generate investment funds and teaches all computer means is utilized to operate and implement mortgage plan)

... said program comprising:

(b) code for executing a single agreement with the person, said agreement being in the form of a comprehensive financial instrument((Alt) Col 2 lines 25-34; wherein the prior art teaches with respect to the limitation "single agreement" the principal to be repaid to lending institution)...

(c) code for communicating at least some of the personal information to the financier computer to obtain a loan secured by [[a]] said proportion of the equity, the loan having a principal value for a defined term ... ((Alt) Col 2 lines 27-29 col 3 lines 25-30; wherein the prior art teaches providing an equity loan against the source of equity and applying the loan to generate an investment vehicle)...

(d) code for periodically directing by the service provider computer an interest payment ((Alt) Col 2 lines 45-50; wherein the prior art teaches bi-weekly payment plan), determined on a simple interest basis to the financier computer ((Alt) Col 6 line 62; where home equity loan simple interest rate assumed to be 11.5% for 5 years);

(e) code for investing a residual of the loan ((Alt) Col 2 lines 28-45);

(f). code for, [[if]] where said personal information specifies an equity-based retirement savings option, accumulating earnings from the invested residual of the loan ((Alt) FIG. 2, step 16, FIG. 3, step 23; Col 2 lines 27-45, Col 6 lines 28-33, 63; where borrowed money is invested in individual retirement account (IRA) at interest rate of 8.5% which grows at compound interest rate; Examiner notes IRA can have range of choices such as CD, mutual funds, etc... which could have greater or equal to specified interest) ; said code comprising:

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(fa) code for investing, by the service provider computer, the loan in a first investment vehicle that yields a first return for each said period on the amount invested
((Alt) FIG. 2, step 16, FIG. 3, step 23; Col 2 lines 27-45, Col 6 lines 28-33, 63; where borrowed money is invested in individual retirement account (IRA) at interest rate of 8.5% which grows at compound interest rate; Examiner notes IRA can have range of choices such as CD, mutual funds, etc... which could have greater or equal to specified interest); the code further comprising, for a current said period:

(fai) code for determining, by the service provider computer, in regard to the principal value, a first amount determined on a simple interest basis, and withdrawing, by the service provider computer, said first amount from the residual of the loan invested in the first investment vehicle, and determining, by the service provider computer, in regard to the principal value ((Alt) Col 6 lines 60-66), a second amount determined on a simple interest basis, and withdrawing, by the service provider computer, said second amount from the residual of the loan invested in the first investment vehicle ((Alt) Col 5 lines 11-55);

(faii) code for directing, by the service provider computer to the financier computer, the first amount ((Alt) Col 2 lines 30-33) ;

... (faiv) code for investing, by the service provider computer, for the benefit of the person the residual of the second amount in an investment vehicle yielding a second return for the current period, said second return being lower than the first return ((Alt) Col 6 lines 32-35; wherein the prior art teaches multiple investment vehicles which would have separate returns);

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(fb) code for repeating the steps (fai) - (faiv) for said number of periods; wherein the person repays to the financier at the end of the defined term, the principal of the loan, wherein said accumulating earnings represent said equity based benefits ((Alt) FIG. 3; Col 5 lines 1-60); and...

Alt suggest but does not explicitly teach:

... (a) code for receiving by the service provider computer personal information about the person ((Alt) Col 2 lines 20-29, Col 3 lines 24-25);

... (g). code for, [[if]] where said personal information specifies a life-expectancy retirement annuity option, directing a periodic payment from the residual of the loan to the person ((Alt) Col 6 lines 30-33; wherein the prior art teaches a life insurance Claim further comprising investment vehicle and annuities which would make obvious life-expectancy specifications), said code comprising:

(ga) code for periodically directing, by the service provider computer to the financier computer, an interest payment determined on a simple interest basis ((Alt) Col 6 lines 60-63; wherein the equity product of constant interest rate (i.e. simple interest rate) of 11.5% for 5 years);

(gb) code for directing, by the service provider computer to an account of the person, the periodic payments, said periodic payments being subject to a minimum income guarantee underwritten by the service provider ((Alt) Col 6 lines 32-33; wherein the prior art teaches financial instruments life insurance and annuities; which guarantee minimum incomes), ...

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(gc) code for investing, by the service provider computer, a residual of the loan, in an investment vehicle yielding a return at a compound rate on said residual of the loan, said residual of the loan being dependent upon the amounts paid in the steps (ga) and (gb) ((Alt) Col 6 lines 31-34; wherein the prior art teaches life insurance and annuities and return rate on investment product of 8.5%);

(gd) code for repaying, by the person to the financier at the end of the defined term, the principal of the loan wherein said periodic payments represent said equity based benefits ((Alt) Col 5 lines 1-60); wherein the principal value of the loan becomes due for repayment by the person at the end of the defined term ((Alt) Col 2 lines 27-34); wherein the code in the paragraphs (c) - (g) is operative only if said single agreement has been executed ((Alt) Col 2 lines 28-35)

Alt does not teach:

... a memory for storing a program, and a service provider computer and a financier computer being in electronic communication with each other for executing the program, ...and being 100% capital guaranteed by the service provider; ... (faiii) code for deducting, by the service provider computer, a charge from said second amount, said charge comprising a benefit for the service provider;... and being reversionary in the event of the persons death and thus 100% payable for the loan term to a named beneficiary;...

APA teaches:

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... a memory for storing a program... (faiii) code for deducting, by the service provider computer, a charge from said second amount, said charge comprising a benefit for the service provider

Mag teaches:

... (a) code for receiving by the service provider computer personal information about the person((Mag) para 0027)... (c) code for communicating at least some of the personal information to the financier computer to obtain a loan secured by [[a]] said proportion of the equity, the loan having a principal value for a defined term ...((Mag) para 0028-0032)

Week teaches:

...and being 100% capital guaranteed by the service provider;... ((Week) see article)

Sch teaches:

...code for determining, by the service provider computer, in regard to the principal value, a first amount determined on a simple interest basis, and withdrawing, by the service provider computer, said first amount from the residual of the loan invested in the first investment vehicle, and determining, by the service provider computer, in regard to the principal value ...((Sch) in at least Abstract)

Inn teaches:

...and being reversionary in the event of the persons death and thus 100% payable for the loan term to a named beneficiary;...((Inn) para 0305)

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Alt teaches explicitly of a computer means utilized to operate and implement the mortgage plan. APA teaches that it is old and well known in the industry for computer systems to consist of memory for storage and a processor for executing a program. Therefore, it would have been obvious to one of ordinary skill in the art at the time of the invention to combine prior art elements according to known methods to yield predictable results.

With respect to the limitation, "code for receiving by the service provider computer personal information about the person((Mag) para 0027)... (c) code for communicating at least some of the personal information to the financier computer to obtain a loan secured by [[a]] said proportion of the equity, the loan having a principal value for a defined term", although not explicit, the combination cites "determining an amount of mortgage for which an applicant would qualify and a predetermined term of repayment of principal based on convention lending practices" ((Alt) Col 2 lines 20-25). Whereas Mag teaches a system for applying and determining for mortgage lending. Therefore, it would have been obvious to one of ordinary skill in the art at the time of the invention to combine the prior art teachings as there is some teaching, suggestion, or motivation in the prior art that would have led one of ordinary skill to modify the prior art reference or to combine prior art reference teachings to arrive at the claimed invention. See MPEP § 214 3.

Both the combination and Week teach mortgage supplied by mortgage providers. Week teaches the motivation of investors getting their money back by providing guarantees up to 100% on capital. Therefore, it would have been obvious to one of

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ordinary skill in the art at the time of the invention to combine the prior art teachings as there is some teaching, suggestion, or motivation in the prior art that would have led one of ordinary skill to modify the prior art reference or to combine prior art reference teachings to arrive at the claimed invention. See MPEP § 214.3

With respect to the limitation, “simple interest”, the applicant argues that the prior art teaches only compound interest, the examiner maintains the prior art explicitly teaches a simple interest rate in that a “constant interest rate” as taught by the art is equivalent in terminology to a simple interest rate, the examiner for further evidence that this feature is well known for equity products used for investment planning utilize simple interest has provided Sch as part of the rejection. As both the combination and Sch are directed toward realizing investment gain from funds provided by an equity financing product, it would have been obvious to one of ordinary skill in the art at the time of the invention combine the combination and Sch as use of known technique to improve similar devices (methods, or products) in the same way.

With respect to the limitation, “(gb) code for directing, by the service provider computer to an account of the person, the periodic payments, said periodic payments being subject to a minimum income guarantee underwritten by the service provider”, the prior art explicitly teaches periodic payments made to financial instruments, retirement products and list as instruments to consider annuities. Annuities inherently guarantee via underwriting parameters a minimum income and would therefore have been implied and/or made obvious.

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With respect to the limitation, “...and being reversionary in the event of the persons death and thus 100% payable for the loan term to a named beneficiary;...”, both the combination and Inn teach utilizing equity products based upon property so that a retirement benefit can be realized. Inn teaches the motivation for a reversionary implementation so that if the retiree does that the payments continue for the beneficiary. Therefore, there is some teaching, suggestion, or motivation in the prior art that would have led one of ordinary skill to modify the prior art reference or to combine prior art reference teachings to arrive at the claimed invention. See MPEP § 214.3

In reference to Claim 2:

The combination teaches:

(Currently Amended) A system according to claim 1 (see rejection of claim 1 above), wherein: the memory is configured as a plurality of memory modules; the program is configured as a plurality of interacting inter-related program modules stored in corresponding said memory modules; and the processor is configured as a plurality of processor modules for executing the program modules, wherein at least some of the plurality of processor modules are adapted to communicate over a network ((Alt) FIG. 1; Abstract, Col 2 lines 20-35, 40-45).

In reference to Claim 4:

The machine of Claim 4 corresponds to the method of Claim 1. Therefore, Claim 4 has been analyzed and rejected as previously discussed with respect to Claim 1.

In reference to Claim 5:

The system of Claim 5 corresponds to the method of Claim 1. Therefore, Claim 5 has been analyzed and rejected as previously discussed with respect to Claim 1.

16. Claim 3 rejected under 35 U.S.C. 103(a) as being unpatentable over US Patent No. 5,689,649 by Altman et al. (Alt); in view of US Pub No. 2003/0149656 A1 by Magryder et al. (Mag); in view of "Deals of the Week" (Week); in view of US Pub No. 2007/0118451 A1 by Schneider et al. (Sch) in view of applicant's admitted prior art herein referred to as APA; in view of US Pub No. 2008/0235061 A1 by Innes (Inn), as applied to claim 1 above, and further in view of US Pub No. 2002/0184129 by Arena et al. (Are).

In reference to Claim 3:

The combination teaches:

(Currently Amended) A system according to claim 1 (see rejection of claim 1 above), wherein if a rate of return of an investment in which said residual of the loan is invested according to the code..., the program further comprises: ...

The combination does not explicitly teach:

...(d) falls below a pre-defined threshold, the program further comprises: (f) code for capitalizing an additional loan amount needed to compensate for as difference between the rate of return and the threshold; and (g) code for adding said additional loan to the principal of the loan to be repaid at the end of the defined term

APA and Are teaches:

...(d) falls below a pre-defined threshold, the program further comprises: (f) code for capitalizing an additional loan amount needed to compensate for as difference

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between the rate of return and the threshold ((Are) Abstract lines 10- 25, para 0026 lines 12-19, para 0163, para 0165 lines 13-19; FIG. 3, FIG. 4) and (g) code for adding said additional loan to the principal of the loan to be repaid at the end of the term.

Both the combination and Are teach retirement, annuities and investment funded by other assets. Are teaches that due to fluctuating value of investment products that are for the purpose of future payments, it is needful to provide a cushion for providing stability to annuity payment amounts during poor investment performance. Are teaches drawing from available assets in order to maintain the annuities existing payment. The combination teach using assets (equity) for funding retirement funds, annuities and investments. As both sets of prior art are explicitly directed toward using assets for funding investment products pertaining to future payments it would have been obvious to one of ordinary skill in the art at the time of the invention include the teachings of Are of withdrawing from an asset pool (equity) to subsidize an annuity investment products during poor or reduced performance in order to stabilized future payments with the teachings of the combination of using a specific asset for funding the same types of investment products.

With respect to the limitation, "adding said additional loan to the principal of the loan to be repaid at the end of the term", APA teaches that it is well known in the industry for various loan programs to allow multiple draws against underlying assets. Furthermore, in the mortgage industry it is standard for a loan to be repaid at the end of the term.

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17. Claim 6 rejected under 35 U.S.C. 103(a) as being unpatentable over US Patent No. 5,689,649 by Altman et al. (Alt); in view of US Pub No. 2003/0149656 A1 by Magryder et al. (Mag); in view of “Deals of the Week” (Week); in view of US Pub No. 2007/0118451 A1 by Schneider et al. (Sch) and further in view of US Pub No. 2008/0235061 A1 by Innes (Inn) .

In reference to Claim 6:

Alt teaches:

(Currently Amended) A method for transforming a proportion of the equity in property owned by a person to equity based benefits to [[a]] the person, said method being implemented on a computer based system comprising at least one program running on a corresponding at least one computer platform ((Alt) Col 2 lines 28-44; wherein the prior art teaches applying equity loan to generate investment funds and teaches all computer means is utilized to operate and implement mortgage plan), said method comprising the steps of:

... (b) executing a single agreement with the person, said agreement being in the form of a comprehensive financial instrument ((Alt) Col 2 lines 25-34; wherein the prior art teaches with respect to the limitation “single agreement” the principal to be repaid to lending institution)...

(c) communicating, from the service provider computer to a financier computer at least some of the personal information to a financier to obtain a loan secured by [[a]] said proportion of the equity ((Alt) Col 2 lines 27-29 col 3 lines 25-30; wherein the prior art teaches providing an equity loan against the source of equity and applying the loan

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to generate an investment vehicle), the loan having a principal value for a defined term ((Alt) Col 2 lines 30-34)...

(d) periodically directing, from the service provider computer to the financier computer, an interest payment determined on a simple interest basis; investing, by the service provider computer, a residual of the loan ((Alt) Col 2 lines 45-50; wherein the prior art teaches bi-weekly payment plan), determined on a simple interest basis to the financier computer ((Alt) Col 6 line 62; where home equity loan constant interest rate (i.e. simple interest rate) assumed to be 11.5% for 5 years);

(e) investing, by the service provider computer, a residual of the loan ((Alt) Col 2 lines 28-45, Col 2 lines 28-44; wherein the prior art teaches applying equity loan to generate investment funds and teaches all computer means is utilized to operate and implement mortgage plan);...

Alt suggest but does not explicitly teach:

...(a) receiving personal information about the person by a service provider computer ((Alt) Col 2 lines 20-29, Col 3 lines 24-25);...

(f) [[if]] where said personal information specifies an equity-based retirement savings option is elected, accumulating, by the service provider computer, earnings from the invested residual of the loan ((Alt) FIG. 2, step 16, FIG. 3, step 23; Col 2 lines 27-45, Col 6 lines 28-33, 63; where borrowed money is invested in individual retirement account (IRA) at interest rate of 8.5% which grows at compound interest rate; Examiner notes IRA can have range of choices such as CD, mutual funds, etc... which could have greater or equal to specified interest); said accumulating comprising the steps of

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(fa) investing, by the service provider computer, the loan in a first investment vehicle that yields a first return for each said period on the amount invested ((Alt) FIG. 2, step 16, FIG. 3, step 23; Col 2 lines 27-45, Col 6 lines 28-33, 63; where borrowed money is invested in individual retirement account (IRA) at interest rate of 8.5% which grows at compound interest rate; Examiner notes IRA can have range of choices such as CD, mutual funds, etc... which could have greater or equal to specified interest); the method further comprising, for a current said period:

(fai) determining, by the service provider computer, in regard to the principal value, a first amount determined on a simple interest basis, and withdrawing, by the service provider computer, said first amount from the residual of the loan invested in the first investment vehicle, and determining, by the service provider computer, in regard to the principal value ((Alt) Col 6 lines 60-66), a second amount determined on a simple interest basis, and withdrawing, by the service provider computer, said second amount from the residual of the loan invested in the first investment vehicle ((Alt) Col 5 lines 11-55);

(fail) directing, by the service provider computer to the financier computer, the first amount ((Alt) Col 2 lines 30-33);

... (faiv) investing, by the service provider computer, for the benefit of the person the residual of the second amount in an investment vehicle yielding a second return for the current period, said second return being lower than the first return ((Alt) Col 6 lines 32-35; wherein the prior art teaches multiple investment vehicles which would have separate returns);

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(fb) repeating the steps (fai) - (fair) for said number of periods; wherein the person repays to the financier at the end of the defined term, the principal of the loan, wherein said accumulating earnings represent said equity based benefits ((Alt) FIG. 3; Col 5 lines 1-60); and

(g) [[if]] where said personal information specifies a life-expectancy retirement annuity option directing, by the service provider computer, a periodic payment from the residual of the loan; to an account of the person ((Alt) Col 6 lines 30-33; wherein the prior art teaches a life insurance investment vehicle and annuities which would make obvious life-expectancy specifications), said directing comprising the steps of

(ga) periodically directing, by the service provider computer to the financier computer, an interest payment determined on a simple interest basis ((Alt) Col 6 lines 63; wherein the equity product of 11.5% for 5 years);

(gb) directing, by the service provider computer to an account of the person, the periodic payments, said periodic payments being subject to a minimum income guarantee underwritten by the service provider ((Alt) Col 6 lines 32-33; wherein the prior art teaches financial instruments life insurance and annuities; which guarantee minimum incomes), ...

(gc) investing, by the service provider computer, a residual of the loan, in an investment vehicle yielding a return at a compound rate on said residual of the loan, said residual of the loan being dependent upon the amounts paid in the steps (ga) and (gb) ((Alt) Col 5 lines 1-60); and

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(gd) repaying, by the person to the financier at the end of the defined term, the principal of the loan, wherein said periodic payments represent said equity based benefits ((Alt) Col 2 lines 3—34) ; wherein the principal value of the loan becomes due for repayment by the person at the end of the defined term; wherein the method steps (c) - (g) are operative only if said single agreement has been executed ((Alt) Col 2 lines 20-34; wherein the prior teaches the user “qualifying and a predetermined term of repayment of principal therefor based on conventional lending practices” for the product which makes obvious the agreement was executed.

Alt does not teach:

...and being 100% capital guaranteed by the service provider;... (fa)ii) deducting, by the service provider computer, a charge from said second amount, said charge comprising a benefit for the service provider;... , and being reversionary in the event of the persons death and thus 100% payable for the loan term to a named beneficiary;...

Mag teaches:

... (a) receiving personal information about the person by a service provider computer ((Mag) para 0027)... (c) communicating, from the service provider computer to a financier computer at least some of the personal information to a financier to obtain a loan secured by [[a]] said proportion of the equity...((Mag) para 0028-0032)

Week teaches:

...and being 100% capital guaranteed by the service provider;... ((Week) see article)

Sch teaches:

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... periodically directing, from the service provider computer to the financier computer, an interest payment determined on a simple interest basis; investing, by the service provider computer, a residual of the loan...((Sch) in at least Abstract)

Inn teaches:

... and being reversionary in the event of the persons death and thus 100% payable for the loan term to a named beneficiary;...((Inn) para 0305)

With respect to the limitation, "code for receiving by the service provider computer personal information about the person((Mag) para 0027)... (c) code for communicating at least some of the personal information to the financier computer to obtain a loan secured by [[a]] said proportion of the equity, the loan having a principal value for a defined term", Alt teaches explicitly of a computer means utilized to operate and implement the mortgage plan, although not explicit, Alt cites "determining an amount of mortgage for which an applicant would qualify and a predetermined term of repayment of principal based on convention lending practices" ((Alt) Col 2 lines 20-25).

Whereas Mag teaches a system for applying and determining for mortgage lending.

Therefore, it would have been obvious to one of ordinary skill in the art at the time of the invention to combine the prior art teachings as there is some teaching, suggestion, or motivation in the prior art that would have led one of ordinary skill to modify the prior art reference or to combine prior art reference teachings to arrive at the claimed invention.

See MPEP § 214 3.

Both the combination and Week teach mortgage supplied by mortgage providers. Week teaches the motivation of investors getting their money back by providing

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guarantees up to 100% on capital. Therefore, it would have been obvious to one of ordinary skill in the art at the time of the invention to combine the prior art teachings as there is some teaching, suggestion, or motivation in the prior art that would have led one of ordinary skill to modify the prior art reference or to combine prior art reference teachings to arrive at the claimed invention. See MPEP § 214.3

With respect to the limitation, "simple interest", the applicant argues that the prior art teaches only compound interest, although the examiner offers for rebuttal the teaching in the art in Col 6 lines 60-63 wherein the prior art teaches "a constant interest rate" (i.e. simple interest rate), the examiner for further evidence that this feature is well known for equity products used for investment planning utilize simple interest has provided Sch as part of the rejection. As both the combination and Sch are directed toward realizing investment gain from funds provided by an equity financing product, it would have been obvious to one of ordinary skill in the art at the time of the invention combine the combination and Sch as use of known technique to improve similar devices (methods, or products) in the same way.

With respect to the limitation, "(gb) code for directing, by the service provider computer to an account of the person, the periodic payments, said periodic payments being subject to a minimum income guarantee underwritten by the service provider", the prior art explicitly teaches periodic payments made to financial instruments, retirement products and list as instruments to consider annuities. Annuities inherently guarantee via underwriting parameters a minimum income and would therefore have been implied and/or made obvious.

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With respect to the limitation, “...and being reversionary in the event of the persons death and thus 100% payable for the loan term to a named beneficiary;...”, both the combination and Inn teach utilizing equity products based upon property so that a retirement benefit can be realized. Inn teaches the motivation for a reversionary implementation so that if the retiree does that the payments continue for the beneficiary. Therefore, there is some teaching, suggestion, or motivation in the prior art that would have led one of ordinary skill to modify the prior art reference or to combine prior art reference teachings to arrive at the claimed invention. See MPEP § 214 3

18. Claims 7, 17, 20-21, 36-38 rejected under 35 U.S.C. 103(a) as being unpatentable over US Patent No. 5,689,649 by Altman et al. (Alt); in view of “Deals of the Week” (Week); in view of US Pub No. 2007/0118451 A1 by Schneider et al. (Sch) and further in view of US Pub No. 2008/0235061 A1 by Innes (Inn) .

In reference to Claim 7:

Alt teaches:

(Currently Amended) A computer implemented method of transforming a proportion of the equity in property owned by a person[[,]] to periodic to the person, the method comprising the steps of:

(a) executing, by the service provider computer, a single agreement with the person, said agreement being in the form of a comprehensive financial instrument ((Alt) Col 2 lines 25-34; wherein the prior art teaches with respect to the limitation “single agreement” the principal to be repaid to lending institution); and only if said single

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agreement has been executed ((Alt) Col 2 lines 20-34; wherein the prior teaches the user “qualifying and a predetermined term of repayment of principal therefor based on conventional lending practices” for the product which makes obvious the agreement was executed, performing the following steps of

(b) communicating, by the service provider computer to a financier computer, information about the person to obtain a loan having a principal value for a defined term, wherein the loan is secured by the said proportion of the equity ((Alt) Col 2 lines 25-34, Col 6 lines 60-64) and ...

(c) periodically, directing, by the service provider computer to the financier computer, an interest payment determined on a simple interest basis ((Alt) Col 2 lines 30-34, 55-61, Col 6 lines 63; wherein the prior art teaches a “constant interest rate”);

(d) directing, by the service provider computer to an account of the person, the periodic payments, said periodic payments being subject to a minimum income guarantee underwritten by the service provider, ((Alt) Col 2 lines 35-44, 63-67) ... (d2) charging the person, in regard to each said periodic payment, a charge determined on a simple interest basis ((Alt) Col 2 lines 28-34, Col 6 lines 60-63);

(e) investing, by the service provider computer, a residual of the loan, in an investment vehicle yielding a return at a compound rate on said residual of the loan, said residual of the loan being dependent upon the amounts paid in the steps (c) and (d); and ((Alt) FIG. 2, step 16, FIG. 3, step 23; Col 2 lines 27-45, Col 6 lines 28-33, 63; where borrowed money is invested in individual retirement account (IRA) at interest rate of 8.5% which grows at compound interest rate; Examiner notes IRA can have range of

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choices such as CD, mutual funds, etc... which could have greater or equal to specified interest)

(f) repaying, by the person to the financier at the end of the defined term, the principal of the loan ((Alt) Col 2 lines 20-34, Col 6 lines 60-64)

Alt does not teach:

... being 100% capital guaranteed by the service provider;... and being reversionary in the event of the persons death and thus 100% payable for the loan term to a named beneficiary;...

Week teaches:

...and being 100% capital guaranteed by the service provider;... ((Week) see article)

Inn teaches:

... and being reversionary in the event of the persons death and thus 100% payable for the loan term to a named beneficiary;...((Inn) para 0305)

Both Alt and Week teach mortgage supplied by mortgage providers. Week teaches the motivation of investors getting their money back by providing guarantees up to 100% on capital. Therefore, it would have been obvious to one of ordinary skill in the art at the time of the invention to combine the prior art teachings as there is some teaching, suggestion, or motivation in the prior art that would have led one of ordinary skill to modify the prior art reference or to combine prior art reference teachings to arrive at the claimed invention. See MPEP § 214 3

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With respect to the limitation, “...and being reversionary in the event of the persons death and thus 100% payable for the loan term to a named beneficiary;...”, both the combination and Inn teach utilizing equity products based upon property so that a retirement benefit can be realized. Inn teaches the motivation for a reversionary implementation so that if the retiree does that the payments continue for the beneficiary. Therefore, there is some teaching, suggestion, or motivation in the prior art that would have led one of ordinary skill to modify the prior art reference or to combine prior art reference teachings to arrive at the claimed invention. See MPEP § 214.3.

In reference to Claim 17:

The combination teaches:

(Original) A method according to claim 7 (see rejection of claim 7 above), wherein the person is ...

The combination does not explicitly teach:

...a retiree and the property of the retiree is the home of the retiree

Although the combination does not teach the persons as being a retiree, the combination is explicitly directed toward retirement savings and investments. Therefore, it would have been obvious to one of ordinary skill in the art at the time of the invention to try by choosing from a finite number of identified, predictable solutions with a reasonable expectation of success. With respect to the limitation of the property being that of a retiree, if a retiree was the person utilizing the prior art teaching inherently the property would have been a retiree property

In reference to Claims 20 and 21:

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The system of Claim 20 and the machine of claim 21 corresponds to the method of Claim 7 . Therefore, Claims 20 and 21 has been analyzed and rejected as previously discussed with respect to Claim 7.

In reference to Claim 36:

The combination teaches:

(New) A method according to claim 7 (see rejection of claim 7 above) , comprising a further step of: charging, by the service provider computer from the account of the person, in regard to each said periodic payment, a charge determined on a simple interest basis ((Alt) see in at least table 1-3; (Sch) see in at least FIG. 1-2) .

In reference to Claim 37:

The combination teaches:

(New) A system according to claim 20 (see rejection of claim 20 above), further comprising: means for charging, by the service provider computer from the account of the retiree, in regard to each said periodic payment, an interest charge determined on a simple interest basis ((Alt) see in at least table 1-3; (Sch) see in at least FIG. 1-2) .

In reference to Claim 38:

The combination teaches:

(New) A computer program product according to claim 21 (see rejection of claim 21 above), further comprising: code for charging, by the service provider computer from the account of the retiree, in regard to each said periodic payment, an interest charge determined on a simple interest basis. ((Alt) see in at least table 1-3; (Sch) see in at least FIG. 1-2) .

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19. Claims 8, 10 rejected under 35 U.S.C. 103(a) as being unpatentable over US Patent No. 5,689,649 by Altman et al. (Alt); in view of “Deals of the Week” (Week); in view of US Pub No. 2007/0118451 A1 by Schneider et al. (Sch) and further in view of US Pub No. 2008/0235061 A1 by Innes (Inn) as applied to claim 7 above and further in view of Applicant’s admitted prior art herein referred to a APA

In reference to Claim 8:

The combination teaches:

(Currently Amended) A method according to claim 7 (see rejection of claim 7 above), wherein the residual of the loan invested in the investment vehicle at a time during the defined term of the loan is equal to the principal of the loan less (i) the accumulated payments made in the steps (b) and (c) from the time the loan was obtained until said any time being considered, plus (ii) the accumulated charges received in the step (d) from the time the loan was obtained until said time being considered ((Alt) Tables 1-7 where the balance of the loan decreases as payments are applied; Examiner notes the residual of the loan invested in the investment vehicle per Alt is the entirety of the loan applied against the equity; APA teaches that it is standard for a current loan principal amount during a term to be equal the previous principal of the loan less the payment which includes P&I of the loan)

In reference to Claim 10:

The combination teaches:

(Currently Amended) A method according to claim 7 (see rejection of claim 7 above), wherein the amounts paid in the steps (b) and (c) are drawn from the residual of

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the loan and the amount received in the step (d) is paid into the residual of the loan ((Alt) FIG. 2-3; see Table 1-8, where last row at 25 years, saving from IRA investment is grater than loan and mortgage balance being paid off, e.g table 1, IRA savings \$24,433.96 loan (\$50.03))

20. Claims 11 and 14-15 rejected under 35 U.S.C. 103(a) as being unpatentable over US Patent No. 5,689,649 by Altman et al. (Alt); in view of "Deals of the Week" (Week); in view of US Pub No. 2007/0118451 A1 by Schneider et al. (Sch) and further in view of US Pub No. 2008/0235061 A1 by Innes (Inn) and further in view of Applicant's admitted prior art herein referred to a APA, as applied to claim 7 above, and further in view of "Accounting for originated mortgage servicing rights" (Rights)

In reference to Claim 11:

The combination teaches/makes obvious:

(Currently Amended) A method according to claim 7 (see rejection of claim 7 above), wherein: the loan obtained has a principal value the loan obtained has a principal value less than or equal to 45% of the equity in the property owned by the person ((Alt) Col 6 lines 20-28; wherein the equity loan is 25%;... and the compound rate of return is in a range of 7.5% and 12.0% of the residual of the loan that is invested in the investment vehicle ((Air) FIG. 2, FIG. 3, Col 6 lines 28-33, 63 where borrowed money is invested in IRA at interest rate of 8.5% which grows at compound interest; APA teaches that the IRA can have range of investment choices).

The combination does not explicitly teach:

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... the interest payment directed to the financier computer is in a range of 4.0% and 5.5% of the principal value of the load; the charge to the person is in a range of 0.05% and .25% of each periodic payment; ...

Right teaches:

...the interest payment directed to the financier computer is in a range of 4.0% and 5.5% of the principal value of the load; the charge to the person is in a range of 0.05% and .25% of each periodic payment; ((Right) page 2)...

Although the prior art combination does not explicitly limit the maximum ltv to 45% or less, the prior art explicitly teaches various ltv with respect to the equity lien. Therefore, it would have been obvious to one of ordinary skill in the art at the time of the invention to arrive at the applicant's invention as known work in one field of endeavor may prompt variations of it for use in either the same field or a different one based on design incentives or other market forces if the variations are predictable to one of ordinary skill in the art.

Both the combination and Right explicitly teach payments received for mortgages. Right provides the motivation of a servicing service with respect to the liens and the fees applied for the service. The prior art provides some teaching, suggestion, or motivation in the prior art that would have led one of ordinary skill to modify the prior art reference or to combine prior art reference teachings to arrive at the claimed invention. See MPEP § 214 3.

In reference to Claim 14:

The combination teaches:

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(Currently Amended) A method according to claim [[12]] 7 (see rejection of claim 7 above) wherein the profit derived by the service provider comprises the charge levied in the step (d) ((Right)page 2)

(see rationale supporting obviousness and motivation to combine of claim 11 above)

In reference to Claim 15:

The combination teaches:

(Currently Amended) A method according to claim [[9]] 7 (see rejection of claim 7 above) wherein the profit derived by the service provider is drawn from the residual of the loan ((Right) pg. 2)

(see rationale supporting obviousness and motivation to combine of claim 11 above)

21. Claims 22, 24-25 are rejected under 35 U.S.C. 103(a) as being unpatentable over US Patent No. 5,689,649 by Altman et al. (Alt); in view of "Deals of the Week" (Week); and further in view of "Accounting for originated mortgage servicing rights" (Rights)

In reference to Claim 22:

Alt teaches:

(Currently Amended) A computer-implemented method of transforming a proportion of the equity in property owned by a person provider, to periodic payments to the person, the method comprising the steps of:

(a) communicating, by a service provider computer to a financier computer, information about the person to obtain a loan secured by the equity, the loan having a principal value and being for a term defined by a number of periods ((Alt) Col 2 lines

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28-44; wherein the prior art teaches applying equity loan to generate investment funds and teaches all computer means is utilized to operate and implement mortgage plan)...

(b) investing, by the service provider computer, the loan in a first investment vehicle that yields a first return for each said period on the amount invested ((Alt) Col 2 lines 36-44); the method further comprising, for a current said period, the steps of:

(i) determining, by the service provider computer, in regard to the principal value, a first amount determined on a simple interest basis ((Alt) Col 6 lines 59-63), and withdrawing, by the service provider computer, said first amount from the residual of the loan invested in the first investment vehicle, and determining, by the service provider computer, in regard to the principal value, a second amount determined on a simple interest basis ((Alt) Col 5 lines 6-60), and withdrawing, by the service provider, said second amount from the residual of the loan invested in the first investment vehicle ((Alt) Col 5 lines 6-60, Col 6 lines 20-42, Col 5 test 11, 17, 22, prior teaches test to achieve PV, test 22 to check if current loan balance and IRA balance with mortgage satisfied. Alt teaches IRA limitation received and funds from equity sent to other financial vehicles);

(ii) directing, by the service provider computer to the financier computer, the first amount ((Alt) Col 5 lines 6-60);

... (iv) investing, by the service provider computer, for the benefit of the person the residual of the second amount in an investment vehicle yielding a second return for the current period, said second return being lower than the first return ((Alt) Col 6 lines 30-33; wherein the prior art explicitly teaches investing in multiple investment vehicles; IRA,

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savings accounts, securities investment accounts, insurance policy or an annuity or combinations of these products. Although, the second product might not have a lower return than the first, inherently one of the products would have a lower return, therefore, it would have been obvious to one of ordinary skill in the art at the time of the invention to try by choosing from a finite number of identified, predictable solution with a reasonable expectation of success.

(c) repeating the steps (i)-(iv) for said number of periods; wherein

(d) the person repays to the financier at the end of the defined term, the principal of the loan ((Alt) Col 5 lines 5-60, Col 2 lines 50-61).

Alt does not explicitly teach:

... and being 100% capital guaranteed by the service provider;... (iii) deducting, by the service provider computer, a charge from said second amount, said charge comprising a benefit for the service provider;

Week teaches:

...and being 100% capital guaranteed by the service provider;...((Week) see article)

Right teaches:

...(iii) deducting, by the service provider computer, a charge from said second amount, said charge comprising a benefit for the service provider;...((Right) pg. 2)

Both the Alt and Week teach mortgage supplied by mortgage servicing providers.

Week teaches the motivation of investors getting their money back by providing guarantees up to 100% on capital. Therefore, it would have been obvious to one of

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ordinary skill in the art at the time of the invention to combine the prior art teachings as there is some teaching, suggestion, or motivation in the prior art that would have led one of ordinary skill to modify the prior art reference or to combine prior art reference teachings to arrive at the claimed invention. See MPEP § 214 3.

Both the combination and Right teach mortgage servicing providers. Right teaches the services rendered for servicing a loan contain fees. Therefore, the prior art provides some teaching, suggestion, or motivation in the prior art that would have led one of ordinary skill to modify the prior art reference or to combine prior art reference teachings to arrive at the claimed invention. See MPEP § 214 3.

In reference to Claim 24:

The combination teaches:

(Original) A method according to claim 22 (see rejection of claim 22 above), wherein in the step (iv) an additional investment is made in the investment vehicle yielding the second return for the current period ((Alt) Col 2 lines 37-41, Col 6 lines 28-33).

In reference to Claim 25:

The combination teaches:

(Original) A method according to claim 24 (see rejection of claim 24 above), wherein the additional investment is a savings contribution by the person ((Alt) Col 2 line 39)

22. Claim 26 and 39 rejected under 35 U.S.C. 103(a) as being unpatentable over US Patent No. 5,689,649 by Altman et al. (Alt); in view of “Deals of the Week”

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(Week); and in view of "Accounting for originated mortgage servicing rights"

(Rights) as applied to claim 22 and 24-25 above, in view of US Pub No.

2002/0169702 A1 by Eaton, JR et al (JR); in view of US Pub No. 2007/0118451 A1

by Schneider et al. (Sch) and further in view of in of US Pub No. 2008/0235061 A1

by Innes (Inn) .

In reference to Claim 26:

(Currently Amended) A method according to claim 25 (see rejection of claim above), wherein following the step (c) the method comprises further steps of:

... (e) periodically directing, by the service provider computer to the financier computer, an interest repayment determined on a simple interest basis ((Alt) Col 6 lines 59-63; wherein the equity lien has a "constant" interest rate");

(f) directing, by the service provider computer to an account of the person, the periodic payments, said periodic payments being subject to a minimum income guarantee underwritten by the service provider,((Alt) Col 6 lines 32-33; wherein the prior art teaches financial instruments life insurance and annuities; which guarantee minimum incomes), ...

_ ...(g) investing, by the service provider computer, a residual of the other loan, and the funds accumulated in the investment vehicle yielding the second return, in an investment vehicle that yields a return at a compound rate, said residual of the loan being dependent upon the amounts paid in the steps (f) and (g) ((Alt) Col 5 lines 6-60, Col 6 lines 32-35; wherein the prior art teaches multiple investment vehicles which

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would have separate returns); wherein the retiree repays to the financier at the end of the defined term, the principal of the loan ((Alt) Col 2 lines 35-44)

Alt suggest but does not explicitly teach:

...(d) communicating, by a service provider computer to a financier computer, information about the person to obtain another loan secured by equity in the property of the person, the other loan having a principal value for a defined term ((Alt) Col 2 lines 20-44)

Alt does not explicitly teach:

... and being reversionary in the event of the persons death and thus 100% payable for the loan term to a named beneficiary...

JR teaches:

...(d) communicating, by a service provider computer to a financier computer, information about the person to obtain another loan secured by equity in the property of the person, the other loan having a principal value for a defined term ((JR) in at least para 0078, para 0081)...

Inn teaches:

... and being reversionary in the event of the persons death and thus 100% payable for the loan term to a named beneficiary;...((Inn) para 0305)

With respect to the limitation, " information about the person to obtain another loan secured by equity in the property of the person, the other loan having a principal value for a defined term", the combination explicitly teaches the user qualifying for equity products for a defined term. JR teaches that a user can apply for more than one

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equity product on property to utilize for investment vehicles. As both the combination and JR are both explicitly directed toward equity products utilized to interact with investment vehicles it would have been obvious to one of ordinary skill in the art at the time of the invention to apply a known technique to a known device (method, or product) ready for improvement to yield predictable results.

With respect to the limitation, "simple interest", the applicant argues that the prior art teaches only compound interest, the examiner maintains the prior art explicitly teaches a simple interest rate in that a "constant interest rate" as taught by the art is equivalent in terminology to a simple interest rate, the examiner for further evidence that this feature is well known for equity products used for investment planning utilize simple interest has provided Sch as part of the rejection. As both the combination and Sch are directed toward realizing investment gain from funds provided by an equity financing product, it would have been obvious to one of ordinary skill in the art at the time of the invention combine the combination and Sch as use of known technique to improve similar devices (methods, or products) in the same way.

With respect to the limitation, "...and being reversionary in the event of the persons death and thus 100% payable for the loan term to a named beneficiary;...", both the combination and Inn teach utilizing equity products based upon property so that a retirement benefit can be realized. Inn teaches the motivation for a reversionary implementation so that if the retiree does that the payments continue for the beneficiary. Therefore, there is some teaching, suggestion, or motivation in the prior art that would

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have led one of ordinary skill to modify the prior art reference or to combine prior art reference teachings to arrive at the claimed invention. See MPEP § 214.3

In reference to Claim 39:

The combination teaches:

(New) A method according to claim 26 (see rejection of claim 26 above), comprising a further step of; code for charging, by the service provider computer from the account of the person, in regard to each said periodic payment, an interest charge determined on a simple interest basis ((Alt) see in at least table 1-3; (Sch) see in at least FIG. 1-2) .

23. Claims 23 rejected under 35 U.S.C. 103(a) as being unpatentable over US Patent No. 5,689,649 by Altman et al. (Alt); in view of “Deals of the Week” (Week); and further in view of “Accounting for originated mortgage servicing rights” (Rights); as applied to claim 22 above, and further in view of WAMU.com (Wamu) as annotated by examiner and herein referred to as (AE)

In reference to Claim 23:

The combination teaches:

(Original) A method according to claim 22 (see rejection of claim 22 above), ...

The combination does not teach:

...wherein the financier is the service provider

Wamu teaches:

...wherein the financier is the service provider((Wamu) pg. 2 sec 1)

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Wamu teaches a lender that also is a service provider for investment products. Wamu teaches the motivation of choices and easy access on information for all banking activity. Therefore, it would have been obvious to one of ordinary skill in the art at the time of the invention to include the teachings of Wamu with the teaching of Alt in order to provide complete services to the client (one stop shop).

Claim 27-32, 40-44 rejected under 35 U.S.C. 103(a) as being unpatentable over US Patent No. 5,689,649 by Altman et al. (Alt); in view of “Deals of the Week” (Week); in view of US Pub No. 2007/0118451 A1 by Schneider et al. (Sch); in view of US Pub No. 2008/0235061 A1 by Innes (Inn), and further in view of US Pub No. 2002/0184129 by Arena et al. (Are).

In reference to Claim 27:

Alt teaches:

(Currently Amended) A computer implemented method of transforming a proportion of the equity in property owned by a person to periodic payments for the person, the method comprising the steps of:

(a) communicating, by a service provider computer to a financier computer, information about the person to a financier to obtain a loan having a principal value for a defined term, wherein the loan is secured by said proportion of the equity ((Alt) Col 2 lines 20-35, Col 3 lines 25-30; wherein the prior art teaches providing an equity loan against the source of equity and applying the loan to generate an investment vehicle)...

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(b) periodically directing, by the service provider computer to the financier computer over the term, an interest payment determined on a simple interest basis ((Alt) Col 6 lines 59-62; wherein the equity product is a "constant interest rate");

(c) directing, by the service provider computer to an account of the person, the periodic payments, said periodic payments being subject to a minimum income guarantee underwritten by the service provider ((Alt) Col 6 lines 32-33; wherein the prior art teaches financial instruments life insurance and annuities; which guarantee minimum incomes), ...

(d) investing, by the service provider computer, a residual of the loan, in an investment vehicle yielding a return at a compound rate on said residual of the loan, said residual of the loan being dependent upon the amounts paid in the steps (b) and (c) ((Alt) Col 6 lines 60-64); and

(e) repaying, by the person to the financier at the end of the defined term, the principal of the loan ((Alt) Col 2 lines 50-61); wherein:...

Alt does not explicitly teach:

...and is 100% capital guaranteed by the service provider;... , and being reversionary in the event of the persons death and thus 100% payable for the loan term to a named beneficiary;... (f) if the compound rate in the step (d) falls below a first threshold, an additional loan amount needed to compensate for the reduced compound rate, and associated interest, is capitalized, by the service provider computer, and added to the principal of the loan to be repaid to the first provider in the step (e).

Week teaches:

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...and is 100% capital guaranteed by the service provider;...((Week) see article)

Inn teaches:

..., and being reversionary in the event of the persons death and thus 100% payable for the loan term to a named beneficiary;... ((Inn) para 0305)

Are teaches:

(f) if the compound rate in the step (d) falls below a first threshold, an additional loan amount needed to compensate for the reduced compound rate, and associated interest, is capitalized, by the service provider computer, ((Are) Abstract lines 10- 25, para 0026 lines 12-19, para 0163, para 0165 lines 13-19; FIG. 3, FIG. 4) and added to the principal of the loan to be repaid to the first provider in the step (e)

With respect to the limitation, “simple interest”, the applicant argues that the prior art teaches only compound interest, the examiner maintains the prior art explicitly teaches a simple interest rate in that a “constant interest rate” as taught by the art is equivalent in terminology to a simple interest rate, the examiner for further evidence that this feature is well known for equity products used for investment planning utilize simple interest has provided Sch as part of the rejection. As both the combination and Sch are directed toward realizing investment gain from funds provided by an equity financing product, it would have been obvious to one of ordinary skill in the art at the time of the invention combine the combination and Sch as use of known technique to improve similar devices (methods, or products) in the same way.

Both the Alt and Week teach mortgage supplied by mortgage providers. Week teaches the motivation of investors getting their money back by providing guarantees up

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to 100% on capital. Therefore, it would have been obvious to one of ordinary skill in the art at the time of the invention to combine the prior art teachings as there is some teaching, suggestion, or motivation in the prior art that would have led one of ordinary skill to modify the prior art reference or to combine prior art reference teachings to arrive at the claimed invention. See MPEP § 214.3

With respect to the limitation, “...and being reversionary in the event of the persons death and thus 100% payable for the loan term to a named beneficiary;...”, both the combination and Inn teach utilizing equity products based upon property so that a retirement benefit can be realized. Inn teaches the motivation for a reversionary implementation so that if the retiree does that the payments continue for the beneficiary. Therefore, there is some teaching, suggestion, or motivation in the prior art that would have led one of ordinary skill to modify the prior art reference or to combine prior art reference teachings to arrive at the claimed invention. See MPEP § 214.3

Both the combination and Are teach retirement, annuities and investment funded by other assets. Are teaches that due to fluctuating value of investment products that are for the purpose of future payments, it is needful to provide a cushion for providing stability to annuity payment amounts during poor investment performance. Are teaches drawing from available assets in order to maintain the annuities existing payment. The combination teach using assets (equity) for funding retirement funds, annuities and investments. As both sets of prior art are explicitly directed toward using assets for funding investment products pertaining to future payments it would have been obvious to one of ordinary skill in the art at the time of the invention include the teachings of Are

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of withdrawing from an asset pool (equity) to subsidize an annuity investment products during poor or reduced performance in order to stabilized future payments with the teachings of the combination of using a specific asset for funding the same types of investment products.

In reference to Claim 28:

The combination teaches:

(Currently Amended) A computer implemented method according to claim 27 (see rejection of claim 27 above), comprising the further step of: (h) where the compound rate in the step (e) rises above a second threshold, then accumulated surplus funds accruing in the investment vehicle are deducted from the principal of the loan to be repaid to the first provider in the step (f) rises above a second threshold, then accumulated surplus funds accruing in the investment vehicle are deducted, by the service provider computer, from the principal of the loan to be repaid to the first provider in the step (f) ((Alt) FIG. 2, FIG. 4; Col 5 lines 12-13; is there more to pay on the primary mortgage, Alt teaches a threshold of $PV > 0$)

In reference to Claim 29:

Alt teaches:

(Currently Amended) A computer-implemented system for transforming a proportion of the equity in property owned by a person to periodic payments, the system comprising:

(a) means for communicating, by a service provider computer to a financier computer, information about the person to a financier to obtain a loan having a principal

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value for a defined term, wherein the loan is secured by said proportion of the equity ((Alt) Col 2 lines 28-44; wherein the prior art teaches applying equity loan to generate investment funds and teaches all computer means is utilized to operate and implement mortgage plan)...

(b) means for periodically, directing, by the service provider computer to the financier computer, an interest payment determined on a simple interest basis ((Alt) Col 6 lines 59-64; wherein the prior art teaches a “constant rate” for the equity product);

(c) directing, by the service provider computer to an account of the person, the periodic payments, said periodic payments being subject to a minimum income guarantee underwritten by the service provider ((Alt) Col 6 lines 32-33; wherein the prior art teaches financial instruments life insurance and annuities; which guarantee minimum incomes), ...

(d) means for investing, by the service provider computer, a residual of the loan, in an investment vehicle yielding a return at a compound rate on said residual of the loan, said residual of the loan being dependent upon the amounts paid in the steps (b) and (c); wherein the person replays the principal of the load to the financier at the end of the defined term;((Alt) col 5 lines 5-50, Col 6 lines 60-65, Col 2 lines 60-61) and...

Alt does not explicitly teach:

... and is 100% capital .guaranteed by the service provider;... and being reversionary in the event of the persons death and thus 100% payable for the load term to a named beneficiary;... (e) where the compound rate in step (d) falls below a first threshold, an additional loan amount needed to compensate for the reduced compound

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rate, and associated interest, is capitalized by the service provider computer and added to the principal of the loan to be repaid to the first-provider financier in the step (d)...

Week teaches:

... and is 100% capital .guaranteed by the service provider;...((Week) see article)

Inn teaches:

... and being reversionary in the event of the persons death and thus 100% payable for the load term to a named beneficiary;... ((Inn) para 0305)

Are teaches:

(e) where the compound rate in step (d) falls below a first threshold, an additional loan amount needed to compensate for the reduced compound rate, and associated interest, is capitalized by the service provider computer and added to the principal of the loan to be repaid to the first-provider financier in the step (d) ((Are) Abstract lines 10-25, para 0026 lines 12-19, para 0163, para 0165 lines 13-19; FIG. 3, FIG. 4)

With respect to the limitation, “simple interest”, the applicant argues that the prior art teaches only compound interest, the examiner maintains the prior art explicitly teaches a simple interest rate in that a “constant interest rate” as taught by the art is equivalent in terminology to a simple interest rate, the examiner for further evidence that this feature is well known for equity products used for investment planning utilize simple interest has provided Sch as part of the rejection. As both the combination and Sch are directed toward realizing investment gain from funds provided by an equity financing product, it would have been obvious to one of ordinary skill in the art at the time of the

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invention combine the combination and Sch as use of known technique to improve similar devices (methods, or products) in the same way.

Both the Alt and Week teach mortgage supplied by mortgage providers. Week teaches the motivation of investors getting their money back by providing guarantees up to 100% on capital. Therefore, it would have been obvious to one of ordinary skill in the art at the time of the invention to combine the prior art teachings as there is some teaching, suggestion, or motivation in the prior art that would have led one of ordinary skill to modify the prior art reference or to combine prior art reference teachings to arrive at the claimed invention. See MPEP § 214.3

With respect to the limitation, “...and being reversionary in the event of the persons death and thus 100% payable for the loan term to a named beneficiary;...”, both the combination and Inn teach utilizing equity products based upon property so that a retirement benefit can be realized. Inn teaches the motivation for a reversionary implementation so that if the retiree dies that the payments continue for the beneficiary. Therefore, there is some teaching, suggestion, or motivation in the prior art that would have led one of ordinary skill to modify the prior art reference or to combine prior art reference teachings to arrive at the claimed invention. See MPEP § 214.3

Both the combination and Are teach retirement, annuities and investment funded by other assets. Are teaches that due to fluctuating value of investment products that are for the purpose of future payments, it is needful to provide a cushion for providing stability to annuity payment amounts during poor investment performance. Are teaches drawing from available assets in order to maintain the annuities existing payment. The

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combination teach using assets (equity) for funding retirement funds, annuities and investments. As both sets of prior art are explicitly directed toward using assets for funding investment products pertaining to future payments it would have been obvious to one of ordinary skill in the art at the time of the invention include the teachings of Are of withdrawing from an asset pool (equity) to subsidize an annuity investment products during poor or reduced performance in order to stabilized future payments with the teachings of the combination of using a specific asset for funding the same types of investment products.

In reference to Claim 30:

Alt teaches:

(Currently Amended) A computer-implemented system for transforming a proportion of the equity in property owned by a person[[,]] to periodic payments to the person, the system comprising:

(a) means for communicating, by a service provider computer to a financier computer, information about the persons to obtain a loan having a principal value for a defined term, wherein the loan is secured by said proportion of the equity ((Alt) Col 2 lines 28-44; wherein the prior art teaches applying equity loan to generate investment funds and teaches all computer means is utilized to operate and implement mortgage plan)...

(b) means for periodically directing by the service provider computer to the financier computer over the term, an interest payment determined on a simple interest

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basis ((Alt) Col 6 lines 59-64; wherein the prior art teaches a “constant rate” for the equity product);

(c) means for directing by the service provider computer to an account of the person, the periodic payments, said periodic payments being subject to a minimum income guarantee underwritten by the service provider ((Alt) Col 6 lines 32-33; wherein the prior art teaches financial instruments life insurance and annuities; which guarantee minimum incomes), ...

(d) means for investing, by the service provider computer, a residual of the loan, in an investment vehicle yielding a return at a compound rate on said residual of the loan, said residual of the loan being dependent upon the amounts paid in the steps (b) and (c) wherein the person repays, at the end of the defined term, the principal of the loan to the financier ((Alt) Col 2 lines 50-61, Col 5 lines 5-60, Col 6 lines 59-63); wherein: Alt does not explicitly teach:

...and is 100% capital .guaranteed by the service provider;... , and being reversionary in the event of the persons death and thus 100% payable for the loan term to a named beneficiary;... (e) where the compound rate in the step (d) falls below a first threshold, an additional loan amount needed to compensate for the reduced compound rate, and associated interest, is capitalized by the service provider computer and added to the principal of the loan to be repaid to the financier in the step (d)

Week teaches:

...and is 100% capital .guaranteed by the service provider;...((Week) see article).

Inn teaches:

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... and being reversionary in the event of the persons death and thus 100% payable for the loan term to a named beneficiary;...((Inn) para 0305)

Are teaches:

... (e) where the compound rate in the step (d) falls below a first threshold, an additional loan amount needed to compensate for the reduced compound rate, and associated interest, is capitalized by the service provider computer and added to the principal of the loan to be repaid to the financier in the step (d) ((Are) Abstract lines 10-25, para 0026 lines 12-19, para 0163, para 0165 lines 13-19; FIG. 3, FIG. 4)

With respect to the limitation, "simple interest", the applicant argues that the prior art teaches only compound interest, the examiner maintains the prior art explicitly teaches a simple interest rate in that a "constant interest rate" as taught by the art is equivalent in terminology to a simple interest rate, the examiner for further evidence that this feature is well known for equity products used for investment planning utilize simple interest has provided Sch as part of the rejection. As both the combination and Sch are directed toward realizing investment gain from funds provided by an equity financing product, it would have been obvious to one of ordinary skill in the art at the time of the invention combine the combination and Sch as use of known technique to improve similar devices (methods, or products) in the same way.

Both the Alt and Week teach mortgage supplied by mortgage providers. Week teaches the motivation of investors getting their money back by providing guarantees up to 100% on capital. Therefore, it would have been obvious to one of ordinary skill in the

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art at the time of the invention to combine the prior art teachings as there is some teaching, suggestion, or motivation in the prior art that would have led one of ordinary skill to modify the prior art reference or to combine prior art reference teachings to arrive at the claimed invention. See MPEP § 214.3

With respect to the limitation, “...and being reversionary in the event of the persons death and thus 100% payable for the loan term to a named beneficiary;...”, both the combination and Inn teach utilizing equity products based upon property so that a retirement benefit can be realized. Inn teaches the motivation for a reversionary implementation so that if the retiree dies that the payments continue for the beneficiary. Therefore, there is some teaching, suggestion, or motivation in the prior art that would have led one of ordinary skill to modify the prior art reference or to combine prior art reference teachings to arrive at the claimed invention. See MPEP § 214.3

Both the combination and Are teach retirement, annuities and investment funded by other assets. Are teaches that due to fluctuating value of investment products that are for the purpose of future payments, it is needful to provide a cushion for providing stability to annuity payment amounts during poor investment performance. Are teaches drawing from available assets in order to maintain the annuities existing payment. The combination teach using assets (equity) for funding retirement funds, annuities and investments. As both sets of prior art are explicitly directed toward using assets for funding investment products pertaining to future payments it would have been obvious to one of ordinary skill in the art at the time of the invention include the teachings of Are of withdrawing from an asset pool (equity) to subsidize an annuity investment products

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during poor or reduced performance in order to stabilized future payments with the teachings of the combination of using a specific asset for funding the same types of investment products.

In reference to Claim 31:

The machine of Claim 31 corresponds to the system of Claim 29. Therefore, Claim 31 has been analyzed and rejected as previously discussed with respect to Claim 29.

In reference to Claim 32:

The machine of Claim 32 corresponds to the system of Claim 30. Therefore, Claim 32 has been analyzed and rejected as previously discussed with respect to Claim 30.

In reference to Claim 40:

The combination teaches:

(New) A method according to claim 27, comprising the further step of: charging, by the service provider computer from the account of the person, in regard to each said periodic payment, an interest charge determined on a simple interest basis ((Alt) see in at least table 1-3; (Sch) see in at least FIG. 1-2).

In reference to Claims 41:

(New) A system according to claim 29 (see rejection of claim above), further comprising: means for charging, by the service provider computer from the account of the person, in regard to each said periodic payment, an interest charge determined on a simple interest basis. ((Alt) see in at least table 1-3; (Sch) see in at least FIG. 1-2).

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In reference to Claim 42:

(New) A system according to claim 30 (see rejection of claim 30 above), further comprising: means for charging, by the service provider computer from the account of the person, in regard to each said periodic payment, an interest charge determined on a simple interest basis. ((Alt) see in at least table 1-3; (Sch) see in at least FIG. 1-2).

In reference to Claim 43:

The combination teaches:

(New) A computer program product according to claim 31 (see rejection of claim 31 above), further comprising: code for charging, by the service provider computer from the account of the person, in regard to each said periodic payment, an interest charge determined on a simple interest basis ((Alt) see in at least table 1-3; (Sch) see in at least FIG. 1-2).

In reference to Claim 44:

The combination teaches:

(New) A plurality of computer program products according to claim 32, further comprising: code for charging, by the service provider computer from the account of the person, in regard to each said periodic payment, an interest charge determined on a simple interest basis ((Alt) see in at least table 1-3; (Sch) see in at least FIG. 1-2).

24. Claim 35 is rejected under 35 U.S.C. 103(a) as being unpatentable over US Patent No. 5,689,649 by Altman et al. (Alt); in view of “Deals of the Week” (Week);

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and in view of "Accounting for originated mortgage servicing rights" (Rights) and further in view of US Pub No. 2007/0118451 A1 by Schneider et al. (Sch)

In reference to Claim 35:

Alt teaches:

(Currently Amended) A computer-implemented method of transforming a proportion of the equity in property owned by a person, the method comprising the steps of:

(a) communicating, by a service provider computer to a financier computer, information about the person to a financier to obtain a loan secured by the equity, the loan having a principal value and being for a term defined by a number of periods ((Alt) Col 2 lines 20-34; wherein the prior teaches the user "qualifying and a predetermined term of repayment of principal therefor based on conventional lending practices" by computer means) ...

(b) investing, by the service provider computer, the loan in a first investment vehicle that yields a first return for each said period on the amount invested ((Alt) Col 2 lines 25-44, 50-62); the method further comprising, for a current said period, the steps of:

(i) withdrawing, by the service provider computer an interest charge, determined on a simple interest basis with reference to the principal value, and further withdrawing a fixed proportion of the principal value, from the residual of the loan invested in the first investment vehicle ((Alt) Col 6 lines 59-63; wherein the prior art teaches "constant interest rate");

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(ii) periodically directing, by the service provider computer to the financier computer the interest charge to the financier to thereby repay the loan ((Alt) See tables 1-3...);...

(iv) investing, by the service provider computer, a residual of the fixed proportion in an investment vehicle yielding a second return for the current period, said second return being lower than the first return ((Alt) Col 6 lines 32-35; wherein the prior art teaches multiple investment vehicles which would have separate returns);

(c) repeating, by the service provider computer, the steps (i)-(iv) for said number of periods ((Alt) Col 5 lines 5-60);

(d) wherein the person repays, to the financier at the end of the term, the principal of the loan ((Atl) Col 2 lines 50-61).

Alt does not explicitly teach:

...and being 100% capital guaranteed by the service provider; [[.]]...(iii)
deducting, by the service provider computer, a charge from said fixed proportion, said charge comprising a benefit for the service provider;

Week teaches:

...and being 100% capital guaranteed by the service provider; [[.]]...((Week) see article)

Right teaches:

deducting, by the service provider computer, a charge from said fixed proportion, said charge comprising a benefit for the service provider; ((Right) page 2)...

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With respect to the limitation, "simple interest", the applicant argues that the prior art teaches only compound interest, the examiner maintains the prior art explicitly teaches a simple interest rate in that a "constant interest rate" as taught by the art is equivalent in terminology to a simple interest rate, the examiner for further evidence that this feature is well known for equity products used for investment planning utilize simple interest has provided Sch as part of the rejection. As both the combination and Sch are directed toward realizing investment gain from funds provided by an equity financing product, it would have been obvious to one of ordinary skill in the art at the time of the invention combine the combination and Sch as use of known technique to improve similar devices (methods, or products) in the same way.

Both the Alt and Week teach mortgage supplied by mortgage providers. Week teaches the motivation of investors getting their money back by providing guarantees up to 100% on capital. Therefore, it would have been obvious to one of ordinary skill in the art at the time of the invention to combine the prior art teachings as there is some teaching, suggestion, or motivation in the prior art that would have led one of ordinary skill to modify the prior art reference or to combine prior art reference teachings to arrive at the claimed invention. See MPEP § 214.3

Both the combination and Right explicitly teach payments received for mortgages. Right provides the motivation of a servicing service with respect to the liens and the fees applied for the service. The prior art provides some teaching, suggestion, or motivation in the prior art that would have led one of ordinary skill to modify the prior art reference

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or to combine prior art reference teachings to arrive at the claimed invention. See MPEP § 214.3.

Conclusion

25. The prior art made of record and not relied upon is considered pertinent to applicant's disclosure. US Pub No. 2005/0262002 A1 by Manning et al. is cited for being directed toward a financial instrument based upon a debt product. US Patent No. 6,131,810 by Weiss et al. is cited for teaching opening multiple types of accounts. US Pub No. 2006/0184450 A1 by Ely et al. is cited for teaching a financial product linked to a debt instrument guaranteed by bonds.

26. Applicant's amendment necessitated the new ground(s) of rejection presented in this Office action. Accordingly, **THIS ACTION IS MADE FINAL**. See MPEP § 706.07(a). Applicant is reminded of the extension of time policy as set forth in 37 CFR 1.136(a).

A shortened statutory period for reply to this final action is set to expire THREE MONTHS from the mailing date of this action. In the event a first reply is filed within TWO MONTHS of the mailing date of this final action and the advisory action is not mailed until after the end of the THREE-MONTH shortened statutory period, then the shortened statutory period will expire on the date the advisory action is mailed, and any extension fee pursuant to 37 CFR 1.136(a) will be calculated from the mailing date of the advisory action. In no event, however, will the statutory period for reply expire later than SIX MONTHS from the date of this final action.

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27. Any inquiry concerning this communication or earlier communications from the examiner should be directed to MARY GREGG whose telephone number is (571)270-5050. The examiner can normally be reached on 4/10.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, James Trammell can be reached on 5712726712. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free). If you would like assistance from a USPTO Customer Service Representative or access to the automated information system, call 800-786-9199 (IN USA OR CANADA) or 571-272-1000.

/M. G./
Examiner, Art Unit 3694

/James P Trammell/
Supervisory Patent Examiner, Art Unit 3694